

OMNI OIL PROPERTIES
P. O. BOX 326
ROSWELL, NEW MEXICO 88201

(505) 623-1857

214 E. 5TH STREET

November 4, 1982

Larry T. Hunnicutt
Barnes, Eimers & Newkumet
P.O. Box 3758
Midland, Texas 79702

file
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RE: High Plains Prospect, Lea County, New Mexico

Dear Larry:

In compliance with your request, the following report is provided to further document my attempts to acquire an Assignment of Oil & Gas Lease from Mr. Perry A. Poole covering lands in above captioned prospect.

On August 20, 1982, a verbal offer was extended to Mr. Poole to acquire an Assignment covering the NW/4NE/4, W/2NW/4 of Section 14, T-14-S, R-34-E, N.M.P.M., based on the terms of \$50.00 per acre and a 7.5% ORRI. As explained by my letter mailed to you dated August 20, 1982, Mr. Poole stated he would not entertain any offer for less than \$451.00 per acre. I have enclosed a copy of my letter dated August 20, 1982, for further explanation of my initial conversation.

In hopes of trying to compromise with Mr. Poole, I extended another verbal offer to Mr. Poole on October 19, 1982, to acquire an Assignment of the NW/4NE/4 of Section 14. I further explained he would be in a position to retain his leasehold on the W/2NW/4 of Section 14, and if a producing well was drilled, the remaining leasehold interest would become even more valuable. The terms to acquire an Assignment on the NW/4NE/4 of Section 14 were \$200.00 per acre and a 5.0% ORRI. Mr. Poole stated he was still not interested in the offer and would expect \$451.92 per acre and between a 10.0% to 12.5% ORRI.

After my conversation with Mr. Poole, I called your office and gave you a verbal update concerning my negotiations. At this time, I was instructed to prepare a letter to Mr. Poole extending an offer of \$300.00 per acre and 7.5% ORRI for an Assignment on the NW/4NE/4. A copy of my letter dated October 19, 1982, has been enclosed for reference.

If you should have any further instructions, please advise.

Sincerely,

Enick E. Diffie
Enick E. Diffie

EED/tb

Enclosures

EX #5